

Chapter 1

Introduction

When Disaster Strikes

Each year the United States is hit by a wide range of disasters varying in form and scope. The list of possible disasters is long. It includes natural events such as hurricanes, tornadoes, storms, high water, winddriven water, tidal waves, tsunamis, earthquakes, volcanic eruptions, landslides, mudslides, snowstorms, and drought; or regardless of cause, fire, flood or explosion. The effects of disasters range from local impacts such as a tornado striking a single community to a large hurricane affecting several States.

Communities are responsible for the protection of their residents, and local emergency response forces will always be the first line of defense when a disaster strikes. The intent of the Stafford Act is that Federal assistance be supplemental to State and local efforts aided by private relief organizations. Nevertheless, it is not necessary for the community to exhaust its resources before it requests Federal assistance. When it becomes evident that the impact of an event will be beyond the capability of the State and local governments for response and recovery, then a request may be made of the President.

When a disaster occurs and a locality has responded to the best of its ability and is, or will be, overwhelmed by the magnitude of the damage, it turns to the State for help. The Governor, after examining the situation, may direct that the State's emergency plan be executed and/or direct the use of State police, National Guard or commit other resources as are appropriate to the situation. If it is evident that the situation is or will be beyond the combined capabilities of the State and local resources, then the Governor may request that the President declare, under the authority of the Stafford Act, that an emergency or major disaster exists in the State.

While this request is being processed, local and State government officials should not delay in taking the necessary response and recovery actions. Such actions should not be dependent upon whether there will be Federal assistance. Commensurate with the supplemental nature of Stafford Act assistance, the Federal share of recovery expenses for State and local governments shall be not less than 75 percent of eligible costs.

Attached in Appendix A, you will find a list of actions that local officials may want to follow in disaster situations.

The Declaration Process

The request for a declaration must come from the Governor or Acting Governor. Before sending a formal request letter to the President, the Governor should request the Federal Emergency Management Agency (FEMA) to conduct a joint preliminary damage assessment (PDA) with the State to verify actual damages and estimate the amount of supplemental assistance which will be needed. After this assessment is complete, and if the Governor believes that Federal assistance is necessary, the Governor sends the request letter to the President, directed through the Regional Director of the appropriate FEMA region. The request is reviewed by the Regional Director and forwarded with a recommendation to the Director of FEMA who, in turn, makes a recommendation to the President. The President makes the decision whether or not to declare a major disaster or emergency. After the initial declaration, the person designated by the Governor as the Governor's Authorized Representative (GAR) may make requests for additional areas to be eligible for assistance or for additional types of assistance as deemed necessary.

After a declaration is made, FEMA will designate the area eligible for assistance and the types of assistance available. With the declaration, a Federal Coordinating Officer (FCO) is appointed who is responsible for coordinating all Federal disaster assistance programs administered by FEMA, other Federal departments and agencies and voluntary organizations. At the same time, the Regional Director or one of his/her staff will be appointed as the Disaster Recovery Manager (DRM), who is responsible for managing the FEMA assistance programs. These two titles (FCO and DRM) are most often held by the same person. Similarly, the State Coordinating Officer (SCO) and the GAR are generally the same person.

The remainder of this chapter is a summary of the information contained in subsequent chapters in order to provide you with an overview of the disaster assistance process. Detailed information on all of the subjects is contained in appropriate chapters.

Applying for Public Assistance (See Chapter 2)

Eligible Applicants

Applicants who may be eligible for public assistance include State agencies, local governments, any political subdivision of the State, Indian Tribes and Alaskan Native Villages.

They also include certain private nonprofit (PNP) organizations which operate the following types of facilities: medical, emergency (fire and rescue), utility, educational, custodial care, and facilities which provide essential services of a governmental nature to the general public. This last category means museums, zoos, community centers, libraries, homeless shelters, senior citizen centers, rehabilitation facilities, shelter workshops and facilities which provide health and safety services of a governmental nature. Health and safety services are essential services that are commonly provided by all local governments and which directly effect the health and safety of individuals. Low-income housing, alcohol and drug rehabilitation, programs for battered spouses, transportation to medical facilities, and food programs are examples of health services. Examples of ineligible services or facilities are: recreational facilities, job counseling or job training, advocacy groups not directly providing health services, conference facilities, performing arts and other groups not providing health and safety services.

Applicants' Briefing

Within a few days after the declaration, the GAR will schedule one or more applicants' briefings and will invite representatives from all potential applicants within the designated disaster area to attend. The size of the disaster area and the number of possible applicants will determine if more than one briefing is needed. FEMA personnel will generally also participate in the briefing.

Notice of Interest

At the applicants' briefing, applicants will be asked to identify emergency needs and types of repair work which they believe are eligible for assistance by submitting a Notice of Interest (NOI). More complete information can be found in Chapter 2, Section B. Based on that information, inspections are scheduled for the State and Federal inspectors to look at the damages. Before inspections begin, an

applicant should have prepared a list of all damaged facilities and have a knowledgeable person available to guide the inspection team and participate as a team member.

Damage Survey Reports

All disaster damage sites will be shown to the inspectors by the local representative. The Damage Survey Reports (DSRs) prepared by this team of inspectors develop the scope of work and estimated costs necessary to accomplish the repairs to pre-disaster condition, and document any completed work. If the estimate of work at a damage site is less than \$1,000, it is not eligible for assistance. FEMA reviews and approves the DSRs and obligates the Federal share (minimum 75 percent) of eligible costs. DSRs are classified as small projects and large projects. This classification is dependent upon the approved estimate of the eligible costs for an individual project. The threshold amount that divides small and large projects is adjusted annually, usually at the beginning of the fiscal year (FY), October 1, and using the Consumer Price Index for All Urban Consumers. The threshold amount for small projects in effect at the time of the disaster declaration, will be applicable to the DSRs prepared for that disaster.

Project Applications

The individual DSRs are the basis of the project application for an applicant (also referred to as a subgrantee). As FEMA obligates funds, the State is able to make payments to individual applicants. The entire Federal share of the estimate should be paid upon approval for "small projects" and payments of the Federal share of eligible costs may be paid on a cost-reimbursement or as-needed basis for "large projects." States are encouraged to make payment of the agreed upon State share at the same time as the corresponding Federal shares; however, those payments may be subject to the control of State law and procedures.

There are two funding options available to applicants. An "improved project" allows the applicant to make improvements while maintaining the pre-disaster function of the damaged facility and adding funds from other sources for the improvements. An "alternate project" allows an applicant to build a different facility, by taking a 10 percent reduction on the approved Federal share of the approved estimate of eligible costs.

Appeals

An applicant may appeal a decision by FEMA or the grantee. It may relate to who may receive assistance, what work is eligible for assistance or the amount of assistance. The appeal must be submitted to the grantee within 60 days of notification of the particular decision.

Eligibility (See Chapter 3)

Basic eligibility criteria for all assistance requires that work and associated costs must:

1. Be a result of the declared event and not a predisaster condition or result of some other event;
2. Be located within the area designated by FEMA as eligible for assistance;
3. Be the legal responsibility of an eligible applicant; and,
4. Not be eligible for assistance under another Federal program (this applies to permanent restoration work only).

FEMA may grant assistance for debris removal, emergency protective measures, and the permanent restoration of facilities.

Debris removal and emergency protective measures must be necessary to:

- ◆ Eliminate immediate threats to lives, public health and safety;
- ◆ Eliminate immediate threats of significant damage to improved property; or through cost effective measures,
- ◆ Ensure economic recovery of the affected community to the benefit of the community-at-large (for debris removal only).

Facilities which are the legal responsibility of an eligible applicant, and are in active use at the time of the disaster may be eligible for restoration assistance. The facility may be restored to its pre-disaster design in accordance with applicable construction codes and standards.

“Public facility” includes non-Federal-aid street, road or highway, water or flood control facility, buildings and equipment (including vehicles), utility systems, and parks and recreational facilities.

“Private nonprofit (PNP) facility” includes educational, utility, emergency, medical, custodial care or certain other governmental service facilities which are open to the general public.

In the restoration of facilities, standards that were in place at the time of the disaster or were formally adopted before project approval by FEMA may be used in the design of the repair work or replacement structure, as the case may be. In addition, cost effective hazard mitigation measures may be included in the design of the work, subject to FEMA review and approval.

Reasonable engineering and design services, along with supervision and management work required during the performance of eligible work are also eligible.

Cost Eligibility

Reasonable costs, less applicable insurance proceeds or other credits, attributed to the performance of eligible work are eligible. These include labor, materials, and equipment costs when the applicant performs the work itself (force account) or awards contracts for the work. FEMA publishes a Schedule of Equipment Rates which gives the allowable hourly rate for force account equipment usage.

Administrative Costs

In addition to direct project costs, subgrantees receive an allowance intended to cover the costs of applying for and administering the Federal grant assistance. The allowance is a percentage of the total project cost for all the eligible work of that subgrantee. The percentage varies from 3 percent of costs under \$100,000 to 1/2 percent of costs over \$5,000,000.

The State (grantee) receives a similar percentage allowance based on the total assistance granted to all the subgrantees. The grantee also incurs other costs in executing its responsibilities in a disaster. These costs require documentation and justification, subject to FEMA approval. Reimbursement for these approved costs is made eligible through DSRs prepared for the grantee.

Insurance

As a condition for receiving FEMA assistance, the subgrantee will agree to purchase and maintain available hazard insurance on a

repaired facility. The amount of required coverage is equal to the cost of the project before deductions are made such as the flood insurance reduction or an insurance settlement as described below. Required insurance must be maintained for the property or no Federal assistance will be provided for damage to the structure in the future.

For all projects, otherwise eligible costs of restoration of facilities will be reduced by actual or anticipated insurance recoveries. If the damaged facility is in a special flood hazard area (SFHA) identified under the National Flood Insurance Program (NFIP), and is damaged by flooding, an amount equal to the maximum amount of insurance proceeds which would have been payable from a standard NFIP policy will be deducted from otherwise eligible costs.

Project Management (See Chapter 4)

Work must be completed within certain time limits. Emergency work must be completed within 6 months of the declaration date and permanent restoration work must be completed within 18 months. With written justification, both of these limits may be extended upon application to the grantee.

Upon completion of the small projects, an applicant certifies to the grantee that all small projects were completed. Final payment for small projects is made at the time of project approval. The final payment amount for large projects is based on an accounting and determination of actual eligible final costs.

Quarterly progress reports are required on the status of each large project up to the time that final payment has been made on the project.

The *Public Assistance Guide* will answer the basic questions most often asked about disasters. Those questions are: when and under what conditions funding may be eligible, who is eligible, how to apply for assistance, what kind of work is eligible, and what project management information may be needed. The Guide will not provide detailed information on financial management requirements. Additionally, the following areas are currently under FEMA review for possible regulatory changes: Small Projects, Statutory Administrative Allowances for Grantees, Codes and Standards, Appeals, and Permanent Restoration of Beaches.

